

**ADDENDA #3
SPECIFICATION NO. 03-077
EMPLOYEE BENEFITS CONSULTANT**

Addenda #3 to Specification No. 03-077, for Employee Benefits Consultant for the City of Lincoln bid to be opened Wednesday, March 26, 2003.

We have had several questions to the above referenced specification. Listed below are the questions and their answers :

Question 1. The RFP requests a proposal for a one year period beginning March 1, 2003. Has this been amended to be effective April 1 or May 1, or shall we assume this will be a short year?

Answer 1 Please price your proposal on an annual basis. Our present contract runs through May 31, 2003, so a March 1st contract term is incorrect under section 12.8.1.

Question 2. Section 12.1.12 asks about the length of time the consultant guarantees its services and fees. Are you asking for a one year proposal, but want to know how long the proposal will be valid? Or are you requesting a multi-year proposal?

Answer 2 See question 24 on Addenda #2.

Question 3. Will a consulting firm located outside of Nebraska be equally considered for this contract award or will preference be given to those firms with Nebraska offices?

Answer 3 Every firm will be evaluated fairly on their merits. Prior to Marsh Inc., the City and County both contracted for a number of years with Arthur Andersen, based out of their Atlanta, GA office.

Question 4. If it is a matter of public record, can you provide how much the City of Lincoln and Lancaster County paid for consulting services in 2002 (or the last plan year), including regular consulting fees, special assignments and commissions?

Answer 4 See question 6 under Addenda #2. In addition, the City of Lincoln and County of Lancaster contracted with Marsh Inc. in March 2002 to complete a health insurance RFP. This contract fee was \$28,000, with \$18,667 paid by the City and \$9,333 paid by the County.

Question 5. Can you please provide the number of consulting hours that were required in 2002 (or the last plan year) of your current consultants for retainer services and separately for special assignments? Do you anticipate that more or fewer hours will be needed for the one year period requested by the RFP?

Answer 5 It's hard to say. Please see question 23 of Addenda # 2 for some clarification of meetings and reports.

Question 6. Section 10.5 of the Scope of Benefit Consulting requires the consultant to meet with City/County staff and City Council/County Board staff “as needed.” Can you provide the approximate number of meetings that were needed in 2002 (or the last plan year) for each entity? Do you anticipate that more or fewer meetings will be needed for the one year period requested in the RFP?

Answer 6 See question 23 of Addenda #2. Coming from a distance, we would certainly work to schedule City and County meetings during the same visit as much as possible.

Question 7. If the City or the County wants to investigate self-funding their health care plan, will such a study be considered part of the retainer fee, or will it be considered a special assignment outside of the retainer?

Answer 7 If we asked for a broad scale evaluation of self funding as a strategy, we would look to receive your recommendations within the benefits consultant agreement. Should we request a detailed analysis, perhaps within a health insurance RFP request and analysis, this would require additional work, for which additional compensation could be requested. Certainly the greater services offered, the greater perceived value by the selection committee.

All other terms and conditions to remain unchanged.

Dated this 19th day of March, 2003.

Purchasing Department

Vince M. Mejer, CPPO, C.P.M.
Purchasing Agent